

The European Commission (EC) is currently analyzing the Romania's amended "cap and subsidy" support scheme, but, according to sources, the Commission will need more time to evaluate the scheme.

Reportedly, the Commission agrees in principle with energy price regulation during the crisis, but it has expressed some reservations about some of the provisions recently approved by the Romanian Government.

The Romanian authorities are looking to maintain the regulated market until 2025. The model, in principle, envisages the same price (90 euros/ MWh) paid to electricity producers, with the exception of the renewable energy producers and combined heat and power generation plants, and the capped price charged to end-users. Energy Minister Virgil Popescu estimates that about a third of the electricity produced in 2023 will be traded under this regulated mechanism.

According to sources, the Commission would decide in a few months whether the Government's decision complies with European legislation or not. The Commission reportedly expressed concerns about the excessive impact on the consumption behavior in Romania at the expense of gas storage and solidarity with other consumers in Europe.